

JOURNAL
OF THE
House of Representatives
OF THE
THIRD CALLED SESSION
OF THE
Sixty-ninth Legislature
OF THE
STATE OF TEXAS
BEGUN AND HELD AT
THE CITY OF AUSTIN
SEPTEMBER 8, 1986



ADDRESS BY GOVERNOR MARK WHITE**(The House of Representatives and the Senate in Joint Session)**

In accordance with the provisions of **SCR 1**, providing for a joint session of the senate and the house of representatives at 11 a.m. today, for the purpose of hearing an address by the Honorable Mark White, Governor of Texas, Lieutenant Governor William P. Hobby, and the honorable senators were announced at the door of the house and were admitted.

The senators occupied seats arranged for them.

Lieutenant Governor William P. Hobby was escorted to a seat on the speaker's rostrum.

At 12 noon, Governor Mark White and party escorted by Senators Brooks, Caperton, Farabee, Jones, and Montford, committee on the part of the senate; and Representatives Danburg, chair; A. Luna, Berlanga, G. Thompson, Uher, Cain, Denton, Gilley, Guerrero, and Bush, committee on the part of the house, were announced at the door of the house and, being admitted, were escorted to the speaker's rostrum.

Lieutenant Governor Hobby called the senate to order.

A quorum of the senate was announced present.

The Honorable Gibson D. Lewis, speaker of the house, called the house to order.

A quorum of the house was announced present.

Speaker Lewis stated that the two houses were in joint session pursuant to **SCR 1** for the purpose of hearing an address by the Honorable Mark White, Governor of Texas.

Lieutenant Governor Hobby presented Governor White to the joint session. Governor White addressed the joint session, speaking as follows:

Lieutenant Governor Hobby, Speaker Lewis, members of the senate and the house of representatives, friends and fellow Texans:

Let me skip the history and the stories today. Let me instead go right to the heart of the problem facing us and the people of Texas.

For more than thirty days we have been debating how to resolve the budget crisis caused by the unprecedented decline of oil prices.

This debate has been a long, serious, and difficult one, and no one wants to see it continue.

The hard truth of our situation is well known to everyone.

In the past thirty days oil prices haven't changed significantly, they remain at the lowest level in ten years.

The strong-arm tactics of the Saudis haven't changed, OPEC manipulates the price of oil at will.

The tariff policies of the federal government haven't changed, it allows the devastation of a major American industry.

The resulting hardships for Texas workers and businesses — for 740,000 unemployed — haven't changed. Our people are persevering through the hardest time of their lives.

Our constitution spells out in no uncertain terms that we shall operate the state with a balanced budget.

Some thirty days ago I asked you to take three basic, responsible steps to address the deficit.

I asked for budget cuts, and I identified more than \$900 million worth.

I asked for various other accounting and money-saving measures to trim the budget further.

And I asked for a temporary, emergency increase in the sales tax of one and one-eighth percent — a little over a penny — which would expire automatically at the end of the fiscal year, August of 1987.

We have accomplished a lot, but not everything we came here to do.

Landmark banking bills were completed to ensure the strength, vitality and modernization of the Texas banking system — for the economy to grow on.

We passed legislation to address the problem of classroom discipline and to eliminate nonessential paperwork for teachers — so we will have the very best learning environment possible for our children and our teachers.

But the people of Texas still expect us to face up to our budget problems.

There is nothing more conservative than fiscal responsibility.

It's not a question of politics. It's a question of arithmetic.

We must come to grips with the numbers, they don't lie and they don't leave us much choice.

Today we are still facing a deficit of approximately \$2 billion, the problem remains before us. It hasn't gone away.

No other legislative body in the country has faced a tougher test in modern times.

Speaker Lewis is right, the cuts must come first. I want to thank all of you for passing the budget cuts you did during August. We are \$327 million closer to bridging the gap.

It now appears that your conference committee can agree on additional cuts totaling between \$550 million and \$600 million. That brings us even closer.

And Gib, you were right when you said, "We're not that far apart." Let me be the first to acknowledge — and applaud — the responsibility and leadership you have shown by your statement Friday to support a temporary tax measure as soon as we have reached agreement on the cuts. I couldn't agree more.

Some people suggest we wait until the spring of 1987 to pass a tax bill.

But we can't solve this problem by putting it off, waiting until then, and rolling the problems of this session into the next legislature.

That's what they do in Washington. It's why they have a \$2 trillion debt. They never get around to balancing the books.

Texas differs from the federal government. We don't print money or borrow our way out of debt. In Texas we pay as we go.

A person could sit on his hands a long time waiting for oil prices to rebound, or standing idly by for the federal government to get off its hands.

We don't control the price of oil, but we can't let the price of oil control the future of Texas.

We're here to solve the problems of this biennium, and we can't do that by waiting until January or April or May.

Failure to bridge the gap right now will send the country the wrong message about Texas.

Our problems would only multiply.

Forestalling a revenue measure until next spring would almost surely invite the imposition of a greatly increased sales tax rate in order to balance the budget by the end of this fiscal year.

It would irreparably damage the state's economy. It would be too much, and too late.

Lower bond ratings for state and local governments would be costly. Once your credit rating is lost it takes a long time to get it back.

We need to avoid all that, and now is the time to do it.

I understand the sentiment against a tax increase. None of us wants one. But the choice is between attacking education or passing a temporary tax bill.

No, it isn't a question of whether we want a tax or not. Of course we don't. It's a question of making up for lost revenues due to the crash of the oil market. And it's a question of keeping this government steady on the conservative course of pay-as-you-go fiscal policy.

It's a question of abiding by our constitution. We have no right to scrap the constitution of Texas in 1986 simply because we are confronted with tough choices.

We are expected to make tough choices and do the right thing.

We accepted that responsibility when we asked the people to elect us.

The people of this state measure us by no less than the same standard they use to measure themselves. They know what we're going through, because they are too.

They are saying, "We're strong enough and smart enough and tough enough to face this problem, why can't our government do the same?" And you know, they're right.

The unemployed oil worker in Beaumont, the rancher in San Angelo, the business owner in Dallas, the working mother in Lufkin, the farmer in Amarillo, the school teacher in San Benito . . . people are toughing it out all across Texas, holding on to hope, living by their wits, marshalling their courage, making some of the toughest choices in their lives. They expect the same from us.

I know what I am asking of you when I call for a temporary tax increase.

I know it's a difficult choice.

But praise will come to you from those who value a fiscally responsible government.

Praise will come to you from those who value good schools.

Praise will come to you from those who value good roads.

Praise will come to you from those who value higher education.

We're going to be criticized by some who have no vision, or by those who put politics above the fiscal integrity of our state.

We need a temporary tax increase to save education and build our future. I'll defend it. I'll explain it.

And to those who try to blame you for what we do here, tell them we had to do it. Blame me.

SENATE RECESSES

At 12:15 p.m., Lieutenant Governor Hobby stated that the business of the joint session had been accomplished and that the senate would, in accordance with a previous motion, stand recessed until 2:30 p.m. today.